



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0280125

**THE APPLICATION OF DCP MIDSTREAM, LP TO CONSTRUCT AND OPERATE A
HYDROGEN SULFIDE GAS PIPELINE, U LOOP 2 PIPELINE, GOLDSMITH FIELD,
ECTOR COUNTY, TEXAS**

APPLICATION REVIEWED BY: Richard D. Atkins, P.E. - Technical Examiner

DATE APPLICATION FILED: January 2, 2013

DATE REVIEWED: February 15, 2013

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the unprotested application of DCP Midstream, LP ("DCP") for Commission authority to construct and operate a hydrogen sulfide (H₂S) gas pipeline in Ector County, Texas, pursuant to Statewide Rules 36, 70 and 106.

DCP published notice of the application in a newspaper of general circulation in Ector County. The notice was published in *The Odessa American* on December 9, 2012. The application was also filed with the Ector County Clerk on February 19, 2013.

The Commission's Field Operations section has reviewed the application and has determined that the application complies with the applicable provisions of Statewide Rule 36. In addition, the Commission's Safety Division and Gas Services Division have reviewed and approved the application. The examiner has also reviewed the application and recommends approval.

DISCUSSION OF THE EVIDENCE

DCP proposes construction of a pipeline to transport sour gas from Harper Junction to the Goldsmith Gas Plant for processing. The U Loop 2 Pipeline will be 24 inches in diameter and approximately 12.3 miles in length (See attached area map). The pipeline will carry a maximum of 20 MMCFGPD containing up to 30,378 parts per million (ppm) of H₂S. The maximum operating pressure will be 104 psig.

The 100 ppm radius of exposure ("ROE") is 5,562 feet and the 500 ppm ROE is 2,542 feet. The pipeline is located in a rural area of Ector County and terminates at the Goldsmith Gas Plant that is located west of the town of Goldsmith, Texas. Portions of the town of Goldsmith and three public roads (SH 158, SH 302 and RR 2020) are located within the ROEs. The submitted Contingency Plan for the pipeline is a reactionary plan that has the local law enforcement services notifying the public receptors within the Goldsmith town area and complies with the provisions of Statewide Rule 36.

All materials will satisfy the requirements described in the latest editions of NACE MR 0175 and API RP-14E standards for recommended materials in sour gas service. The pipeline will be constructed of SDR7 grade polypipe, which has been accepted for sour gas service. The pipeline will be equipped with electronic emergency high and low pressure alarms and a shutdown (ESD) valve located south of State Highway 302. The line will be continuously monitored through a SCADA system at the Goldsmith Gas Plant on a 24/7 basis.

The line will be buried a minimum of three feet along the right of way and four feet at road crossings. H₂S warning signs compliant with Rule 36(c)(6)(A) and (c)(6)(B) will be posted at all road crossings as well as intervals along the pipeline frequent enough as to provide warning to avoid accidental rupture of the line by excavation. The signs will indicate poison gas, company name and emergency phone numbers.

FINDINGS OF FACT

1. On January 2, 2013, DCP Midstream, LP ("DCP") filed an application for a permit to construct a hydrogen sulfide return gas pipeline in Ector County.
2. DCP published notice of the application in a newspaper of general circulation in Ector County. The notice was published in *The Odessa American* on December 9, 2012. The application was also filed with the Ector County Clerk on February 19, 2013.
3. DCP proposes construction of a pipeline to transport sour gas from Harper Junction to the Goldsmith Gas Plant for processing.
 - a. The line will be 24 inches in diameter and approximately 12.3 miles in length.
 - b. The line will carry a maximum of 20 MMCFGPD containing up to 30,378 parts per million (ppm) of H₂S.
 - c. The maximum operating pressure will be 104 psig.
4. The 100 ppm radius of exposure ("ROE") is 5,562 feet and the 500 ppm ROE is 2,542 feet.

- a. The pipeline is located in a rural area of Ector County and terminates at the Goldsmith Gas Plant that is located west of the town of Goldsmith, Texas.
 - b. Portions of the town of Goldsmith and three public roads (SH 158, SH 302 and RR 2020) are located within the ROEs.
5. Pipeline materials and construction meet the NACE and API standards as required by Statewide Rule 36 for hydrogen sulfide service.
 6. The submitted Contingency Plan for the pipeline is a reactionary plan that has the local law enforcement services notifying the public receptors within the Goldsmith town area and complies with the provisions of Statewide Rule 36.
 7. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36.
 8. The Commission's Field Operations Section, Pipeline Safety Division and Gas Services Division have reviewed the application and recommend approval.

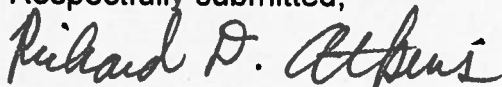
CONCLUSIONS OF LAW

1. Proper notice was timely given to all parties entitled to notice pursuant to applicable statutes and rules.
2. All things have occurred and have been accomplished to give the Commission jurisdiction in this case.
3. The application complies with Statewide Rules 36, 70 and 106.
4. Approving the application for a permit to construct and operate the proposed U Loop 2 hydrogen sulfide gas pipeline is consistent with the rules and safety standards adopted by the Commission.

EXAMINER'S RECOMMENDATION

The examiner recommends that the Commission approve authority pursuant to Statewide Rules 36, 70 and 106, to construct and operate the proposed U Loop 2 hydrogen sulfide gas pipeline in Ector County, as requested by DCP Midstream, LP.

Respectfully submitted,



Richard D. Atkins, P.E.

Technical Examiner

